



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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5.14.5.4

June 14, 2006

MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Frederick W. Schindler */s/ Frederick W. Schindler*
Director, Collection Policy

SUBJECT: Interim Guidance on In-Business Trust Fund (IBTF) Express
Installment Agreements (IA) for Collection Field Function (CFf)
Employees

The purpose of this memorandum is to issue interim guidance for IBTF Express IA secured by revenue officers who rely on Internal Revenue Manual (IRM) 5.14.5.4. These changes are effective immediately. The affected sections of IRM 5.12.2.4 and 5.14.5.4 will be revised to include the information in this memorandum within one year. Please ensure that this information is distributed to all affected employees within your organization.

The guidelines for establishing an IBTF Express IA have been revised to increase the dollar threshold from \$1,500.00 to \$10,000.00 for agreements secured by CFf employees, thus providing consistency throughout the various collection functions. To qualify for an IBTF Express IA, the liability must be full paid within 24 months, or prior to the Collection Statute Expiration Date (CSED), whichever is earlier. The taxpayer must be compliant with all filing and deposit requirements in accordance with IRM 5.14.1.5.1.

If accounts qualify for IBTF Express Agreements:

- no Collection Information Statement (CIS) is required.
- no Trust Fund Recovery Penalty determination is required; however the revenue officer must ensure that the Assessment Statute Expiration Date (ASED) is protected.
- no managerial approval is required.
- **a lien determination is required.**

A field call must be made to view assets and request full payment prior to granting an IBTF express agreement.

Collection Field function employees are required to make a Notice of Federal Tax Lien (NFTL) filing determination in accordance with IRM 5.12.2.4. Although not all cases will require the filing of the NFTL, lien filing must be thoroughly considered and an appropriate non-filing determination must be adequately documented as directed in IRM 5.12.2.4(1). Internal Revenue Manual 5.12.2.4.1 (regarding IBTF Express IA) will no longer apply to CFf employees. Defaulted installment agreements under this initiative will be returned to the originator for follow-up.

The Integrated Collection System (ICS) is not currently able to accept IBTF Express agreements with the new dollar criteria. Programming changes are being made for a future ICS release. In the interim the revenue officer must submit these Express agreements for approval by selecting Option A, "Installment Agreement (Form 433D)," and then selecting "ROUTINE IA" on ICS. The revenue officer will document in the case history that this is an "IBTF Express IA" meeting the new criteria outlined in this interim guidance memorandum.

If you have any questions, please contact me or a member of your staff may contact Harry Clemson. Field employees should raise any concerns through the appropriate management chain.

Attachment

In-Business Trust Fund (IBTF) Express Installment Agreement (IA) Job Aid for Revenue Officers

The dollar limit for which Collection Field function employees may grant IBTF Express IA has been increased from \$1,500 to \$10,000. This change has been implemented to address an inconsistency within collection functions and to promote timely and effective case action and resolution. The steps outlined below will assist revenue officers in identifying cases meeting IBTF Express IA criteria and promote timely resolution.

1. Does the taxpayer have the ability to full pay the liability?
 - If yes, secure full payment.
 - If no, move to step 2.
2. Is the liability \$10,000.00 or less?
 - If yes, move to step 3.
 - If no, the taxpayer does not qualify for an Express Installment Agreement. Proceed with effective first contact requirements outlined in IRM 5.1.10.3.2.
3. Is the taxpayer current with all filing and deposit requirements?
 - If yes, document the case history and move to step 4.
 - If no, the taxpayer does not qualify for an Express Installment Agreement. Proceed with effective first contact requirements outlined in IRM 5.1.10.3.2.
4. Has a lien determination been made in accordance with IRM 5.12.2.4?
 - If yes, verify the case history has been documented to support the determination and move to step 5.
 - If no, make a lien determination in accordance with IRM 5.12.2.4, document the case history to support the determination and move to step 5.
5. Does the taxpayer have the ability to full pay the liability within 24 months or prior to the expiration of the CSED, whichever is earlier?
 - If yes, secure basic asset and levy source information and formalize the agreement.
 - If no, the taxpayer does not qualify for an Express Installment Agreement. Proceed with effective first contact requirements outlined in IRM 5.1.10.3.2.